

Kiri Industries Limited

Future Full of Colours.....

June 10, 2019

To, BSE Limited 1st Floor, Rotunda Building, B.S. Marg, Fort, Mumbai - 400 001 Scrip Code: 532967	To, National Stock Exchange of India Limited Exchange Plaza, BandraKurla Complex, Bandra (E), Mumbai - 400 051 Scrip ID – KIRIINDUS
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Dear Sir,

Sub; Updates on Court case in Singapore in Compliance of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We refer to our earlier announcement dated 3 July 2018 regarding the release of the judgment by the Singapore International Commercial Court ("SICC") in Suit Nos. 3 and 4 of 2017 ("**SIC 3**" and "**SIC 4**", respectively). SIC 4 is KIL's minority oppression suit under which Senda has been ordered to buy out KIL's 37.57% stake in DyStar while SIC 3 is an action by DyStar against KIL. In SIC 3, the SICC awarded judgment for DyStar against KIL in respect of the sums of Euro 1.7 million and S\$443,813 (comprising monies due and owing in respect of Process Technology Development fees and audit costs, respectively) and damages to be assessed for a breach of non-complete and non-solicitation clause in the Share Subscription and Shareholders Agreement ("**SSSA**") executed by the Parties.

Further, vide oral judgment dated 8 January 2019 SICC has inter-alia issued certain directions for the valuation of KIL's shares, and stated that any sums that KIL has to pay DyStar will have to be factored in the valuation of KIL's shareholding in DyStar.

Based on the said directions, KIL believed that it was not required to pay the amounts of Euro 1.7 million and S\$443,813 until after the valuation of KIL's stake in DyStar was completed, and that these sums and could be set off against the buy out amount to be received from Senda. The amount of Euro 1.7 million S\$443,813 payable by KIL is insignificant compared to the expected amount receivable by KIL based on the value of DyStar, given the fundamentals and financials of DyStar, and this relatively small amount adjudged payable by KIL, will be subsumed in the overall payment to KIL as per buyout order of SICC, upheld by the Supreme Court of Singapore.

It is important to also give a brief recap of DyStar's fundamentals, for the benefit of KIL's stakeholders:

- DyStar earned a profit after tax of US\$148 million for CY2018 (before extraordinary and disputed charges) on a revenue of US\$ 1129 million.

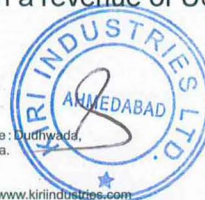
- For the most recent quarter ending March 31, 2019, DyStar made a gross profit margin of US\$ 82.79 million, and net profit of US\$ 22.88 million (after bonuses, before extraordinary and disputed charges), on a revenue of US\$ 283 million.

DYES

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- Valuation exercise of DyStar is under proceedings at SICC, valuation is to be made based on the fundamentals and financial position of DyStar as on July 3, 2018 as per the judgement of SICC dated July 3, 2018.

DyStar has filed a winding up application for recovery of Euro 1.7 million and S\$443,813. KIL had applied to the SICC for a stay of execution of these sums till the valuation process of KIL's stake in DyStar has been completed and the buy out amount received by KIL. Hearing of said stay application took place on 29 May, 2019. The SICC released its judgement on 7 June 2019, and refused to allow KIL's stay application.

Net Outcome:

Hence, KIL is required to pay Euro 1.7 million and S\$443,813 to DyStar.

Legal Options for KIL:

KIL is evaluating the courses and options available to it under law, including an option for appeal against this order to the Honorable Supreme Court of Singapore

Copy of said judgement is available at [https://www.sicc.gov.sg/docs/default-source/modules-document/judgments/dystar-global-holdings-\(singapore\)-pte-ltd-v-kiri-industries-ltd-and-others_b6c096ef-aa2e-4368-a082-ab1a7945068e_c0e53b78-111f-462a-bb0f-5e838e1ed0ee.pdf](https://www.sicc.gov.sg/docs/default-source/modules-document/judgments/dystar-global-holdings-(singapore)-pte-ltd-v-kiri-industries-ltd-and-others_b6c096ef-aa2e-4368-a082-ab1a7945068e_c0e53b78-111f-462a-bb0f-5e838e1ed0ee.pdf)

You are requested to kindly note the above.

For Kiri Industries Limited

Suresh Gondalia

**Suresh Gondalia
Company Secretary**

